

S CORPORATION
Georgia Income Tax
Forms for 2002
and General Instructions



FROM THE COMMISSIONER

This booklet is designed to provide information and assist corporations in filing their Georgia corporate tax returns. On Page 2 is a "New Information" section that I recommend you review to determine if the changes affect your return.

This booklet contains the forms and schedules required by most corporations. If you need additional forms or copies of forms, we encourage you to visit our web site at **www.gatax.org**. There you can download forms and always obtain up-to-date tax information and news from the Department of Revenue. Forms are also available via fax-on-demand at 404-417-6011. A listing of useful telephone numbers is on Page 3.

Our mission and commitment is to serve Georgia's taxpayers in a prompt, courteous and professional manner and to effectively and fairly administer the State's tax laws. We welcome your comments and suggestions on how to more effectively accomplish this mission.

T. JERRY JACKSON
 Commissioner

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NEW INFORMATION

Federal Tax Changes

Economic Growth and Tax Relief Reconciliation Act of 2001. Georgia has adopted the provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 which was enacted by the Federal government during the summer of 2001.

Job Creation and Worker Assistance Act of 2002. Georgia has not adopted this act. Accordingly, adjustments must be made to the Georgia return for any of the items included in this act. The first major item that was changed is the net operating loss carry-back period. Georgia will continue to use the two year carry-back (with special rules for farmers and casualty losses) as provided under the old Federal law. The second major change was the 30% bonus depreciation in the first year for certain types of property. The 30% bonus depreciation should be handled as follows:

A. The JCWA Act allows a 30% bonus depreciation in the first year for certain types of property. Accordingly, depreciation must be computed one way for Federal purposes and another way for Georgia purposes. To compute depreciation for Federal purposes, taxpayers should use the 2002 IRS Form 4562 and attach it to the Georgia return. This amount should be entered on Page 2, Schedule 5, Line 4 along with the words "2002 JCWA Act Depreciation Adjustment".

B. Depreciation must also be computed for Georgia purposes. Taxpayers should use the Georgia Form 4562 (see note below) to compute depreciation for Georgia purposes and attach it to the Georgia return. This amount should be entered on Page 2, Schedule 6, Line 2 along with the words "2002 JCWA Act Depreciation Adjustment".

Note: The Georgia Form 4562 is the first version of the 2001 Federal form. This does not include the 30% bonus depreciation. The top of each form should be labeled "Georgia Form 4562". This form and the related instructions can be obtained from our website at www.gatax.org or from any Revenue Office.

Additionally, the 30% bonus depreciation will affect the calculation of gain when the property is sold.

All S-Corporations should notify their partners of adjustments that need to be made on the shareholder's return due to the JCWA Act.

2002 Legislation

The following bills that relate to corporations were passed by the 2002 Georgia Legislature:

Zero Emission Tax Credit - House Bills 1389 and 1439 (O.C.G.A. §48-7-40.16) These bills represent changes to the current law granting a Zero Emission Tax Credit. The bills define a "low speed vehicle", create a mechanism for special tags and titles for the "low speed vehicles," and establish rules of the road for the vehicles. Clarification is provided that a "low speed vehicle" does not qualify for the Zero Emission Tax Credit. However, the law creates a window of opportunity for claiming the Zero Emission Tax Credit for the owner of a "low speed vehicle" who purchased or leased such vehicle and was able to place it in service during the 2001 calendar year. These bills took effect when the Governor signed them on April 25, 2002.

Technical Corrections - House Bill 1434 (O.C.G.A. §48-7-31.1 and §48-7-40.22) The major corporate income tax provisions of this bill are listed below.

1. Changes O.C.G.A. §48-7-31.1 (Conditions for allocating taxpayer's income pursuant to agreement) by specifying which records are public records open for inspection and provides criteria for determining whether a proposal has significant economic benefit on the region for which it is planned.
2. Changes O.C.G.A. §48-7-40.22 (Credit to business enterprises for leased motor vehicles) by:
 - a) Defining a motor vehicle.
 - b) Clarifying that each vehicle for which a credit is claimed must have an average daily ridership of not less than four employees for an entire taxable year.
 - c) Clarifying that if the Low or Zero Emission Tax Credit is claimed when the vehicle is purchased, the credit authorized in HB 1434 will not be allowed.
 - d) Providing for recapture provisions for the credit.Item 1 took effect when the Governor signed the bill on April 11, 2002. Item 2 took effect when the Governor signed the bill on April 11, 2002 and is applicable to taxable years beginning on or after January 1, 2002.

Restoration Tax Credit for Certified Structures and Historic Homes – House Bill 1441 (O.C.G.A. §48-7-29.8) This bill creates a new tax credit. The credit rewards "certified rehabilitation" of a certified structure or historic home. The credit requires meeting standards set by the Department of Natural Resources. The maximum

NEW INFORMATION

(continued)

amount allowable for the credit is \$5,000. This law will become effective on January 1, 2004, and will be applicable to all taxable years beginning on or after that date.

Transfer of Credit - House Bill 1441 (O.C.G.A. §48-7-42) This bill changes the current law allowing the transfer of credits among affiliated entities. Prior to the passage of this bill, a credit had to be transferred in its entirety to one affiliated member by a transferring entity. Based on the changes presented in this bill, companies will be able to transfer credits in whole or in part to affiliated entities. This law took effect when the Governor signed it on May 14, 2002.

CORPORATE PARTNERS OF PARTNERSHIPS

A corporation will be considered to be owning property or doing business in Georgia whenever the corporation is a partner, whether limited or general, in a partnership which owns property or does business in Georgia. This treatment of corporate partners is set forth in Regulations 560-7-7-.03, 560-7-3-.08, and 560-7-8-.34 which were amended in 2001. The amended regulations apply to taxable years beginning on or after January 1, 2002.

ANNUAL REGISTRATION WITH THE SECRETARY OF STATE

All Georgia corporations and foreign corporations that “qualify” to do business in Georgia must file an annual registration with the Secretary of State (SOS). Registration, and the \$15 fee, is due between January 1 and April 1. The SOS will send a notice to the corporation’s principal office address in early January. Foreign corporations (those formed in a state other than Georgia) should determine the need to obtain a Certificate of Authority by reviewing O.C.G.A. §14-2-1501. The statute can be viewed, and an application obtained, at www.georgiacorporations.org. Annual registration and certificate of authority obligations are separate from any Department of Revenue filings.

TELEPHONE ASSISTANCE

Centralized Taxpayer Registration Unit	404-417-4490
Compliance Division	404-417-6303
Corporation and Net Worth Tax Return Information	404-417-2427
Corporation Refund Inquiry	404-417-2427
Corporation Return Processing, Forms, Estimates and Prepayment of Tax	404-417-2409
Electronic Funds Transfer	404-417-2220 or 1-800-659-1855
Employee Withholding Information	404-417-2311
Estate and Tax Exempt Organization Information	404-417-2402
Income Tax Director’s Office	404-417-2400
Income Tax Forms	404-417-6011
Individual Income Tax Return Information	404-417-2300
Secretary of State	404-656-2817

GENERAL INSTRUCTIONS

INCOME TAX

INTRODUCTION

The Georgia law recognizes an election to file as an S Corporation under the provisions of the IRC as it existed on January 1, 2002, qualified only in cases of nonresident shareholders, who must complete Form 600 S-CA (see Page 9). It also provides for the imposition of a Net Worth Tax.

FILING REQUIREMENTS

All corporations owning property or doing business within Georgia are required to file a Georgia income tax return. (Please round all dollar entries.) A corporation electing the provisions of the IRC for S Corporations, having one or more stockholders who are nonresidents of Georgia, must file a Form 600 S-CA on behalf of each nonresident. Failure to furnish a properly executed Form 600 S-CA for each nonresident stockholder negates Georgia's recognition of the election, requiring each corporation to file on Form 600 and to pay the regular corporate tax. Georgia resident shareholders of Subchapter "S" corporations may make an adjustment to federal adjusted gross income for Subchapter "S" income where the Subchapter "S" election is not recognized for Georgia purposes or by another state. The adjustment is allowed in order to avoid double taxation on this type of income. Therefore, this adjustment will be allowed only if tax was actually paid by the corporation to Georgia or to the other state(s).

NOTE: If you use a software program or if you do not need a booklet next year, mark an "X" in the box in the upper right corner of the form.

WHEN AND WHERE TO FILE

The return is due on or before the 15th day of the 3rd month following the close of the taxable year. This means March 15th, if on the calendar year basis. Returns should be mailed to Georgia Income Tax Division, P.O. Box 740391, Atlanta, Georgia 30374-0391. Taxpayers listing credits on Schedules 10 and/or 11 should mail their returns to Georgia Income Tax Division, P. O. Box 49431, Atlanta, Georgia 30359-1431.

EXTENSION OF TIME

A reasonable extension of time for filing may be granted by the Commissioner upon application on Form IT-303 filed prior to the date the return is due. Georgia law prohibits the granting of an extension of over 6 months from the due date of the return. **If a taxpayer receives from the Internal Revenue Service an extension of time within which to file his Federal return, the taxpayer need not apply to the Georgia Department of Revenue for a similar extension of time.** The taxpayer must attach a copy of the request for the Federal extension to the Georgia return. Form IT-560C should be used to submit any payment of tax when an extension is requested or in force. Interest accrues at the rate of 12% per year on any tax due from the regular due date of the return until paid. If tax is not paid by the regular due date of the return, a late payment penalty of 1/2 of 1% per month will accrue until tax is paid.

RELATION TO FEDERAL RETURN

The Georgia return is correlative with the Federal return in most respects **(see information on Page 2 about the 2002 JCWA Act)**. The accounting period and method for the Georgia return

must be the same as the Federal. A copy of the Federal return and all supporting schedules must be attached to the Georgia return. If a Federal audit results in a change in taxable income, the taxpayer shall make a return to the Commissioner of the changed or corrected net income within 180 days of final determination. The return should be mailed to: Georgia Income Tax Division, P.O. Box 49432, Atlanta, Georgia 30359-1432.

COMPUTING GEORGIA TAXABLE INCOME SCHEDULE 1

If an S Corporation is required to pay a tax at the federal level, it may be required to pay a tax at the state level. This schedule applies only to S Corporations which have converted from a C Corporation and are subject to the corporate income tax due to Excess Net Passive Investment Income, Capital Gains or Built in Capital Gains. This income would be apportioned to Georgia by multistate S Corporations.

ADJUSTMENTS TO FEDERAL INCOME OF SHAREHOLDERS

To determine total income for Georgia purposes, certain additions and subtractions as provided by Georgia tax laws are included in the Schedule 8 computation. Lines 8 and 10 of Schedule 8 are provided for the modifications required by Georgia law. The total of the additions to Georgia income is to be shown on Schedule 8, Line 8 and listed in Schedule 5. The total of the subtractions from Federal income is to be shown on Schedule 8, Line 10 and listed in Schedule 6. The more commonly used items are listed in each of these schedules. **Additionally, adjustments due to the Job Creation and Worker Assistance Act of 2002 should be reported as stated on Page 2 of the instructions.** Any deductions which are subject to further limitations such as Section 179 deduction, charitable contributions, etc. are not deductible in the calculation of total income for Georgia purposes. These items are deductible, based on the percentage of ownership, by the individual shareholder on his or her individual tax return.

Taxpayers who are parties to state contracts may subtract from Federal taxable income or Federal adjusted gross income 10% of qualified payments to minority subcontractors or \$100,000, whichever is less, per taxable year. A list of certified minority subcontractors will be maintained by the Commissioner of Administrative Services for the Revenue Department and general public. (To register as a minority subcontractor or to view the list, call 404-656-6315 or visit www3.state.ga.us/departments/doas/pu/pummnr.html.)

ALLOCATION AND APPORTIONMENT OF INCOME SCHEDULES 7, 8, and 9

If any corporation, domestic or foreign, is doing business both within and without Georgia, the Georgia ratio as computed in Schedule 7 should be used to compute Georgia taxable income for nonresidents. Schedule 8 reflects flow through income from the federal return, which is taxable to the individual shareholder. A resident shareholder is required to report his full share of corporate income or loss. A nonresident shareholder, however, is required to report only his share of the allocated and apportioned income as computed in Schedule 9.

The general instructions for computing the apportionment ratio

INCOME TAX (continued)

and apportioned and allocated income are furnished below. If the business income of the corporation is derived from property owned or business done within the State and in part from property owned or business done without the State, the tax shall be imposed only on that portion of the business income which is reasonably attributable to the property owned and business done within the State, to be determined as follows:

(1) Interest received on bonds held for investment and income received from other intangible property held for investments are not subject to apportionment. Rentals received from real estate held purely for investment purposes and not used in the operation of the business are also not subject to apportionment. All expenses connected with the interest and rentals realized from such investments are likewise not subject to apportionment but must be applied against the investment income. The net investment income from intangible property shall be allocated to Georgia if the situs of the corporation is in Georgia or the intangible property was acquired as income from property held in Georgia, or as a result of business done in Georgia. The net investment income from tangible property in Georgia shall be allocated to Georgia.

(2) Gain from the sale of tangible or intangible property not held, owned or used in connection with the trade or business of the corporation nor for sale in the regular course of business shall be allocated to the State if the property held is real or tangible personal property situated in the State, or intangible property having an actual situs or a business situs within the State. Otherwise, such gains shall be allocated outside the State.

(3) Net income of the above classes having been separately allocated and deducted, the remainder of the net business income shall be apportioned by application of the following:

THREE FACTOR FORMULA

(a) Property Factor. The property factor is composed of the average value of real and tangible personal property owned or rented and used during the taxable year. Property owned is valued at its original cost. Property rented is valued at eight times the net annual rental rate. The net annual rental rate is the annual rental rate paid less any annual rate received from any sub-rentals.

(b) Payroll Factor. The payroll factor is the ratio of all salaries, wages, commissions, and other compensation paid by the taxpayer in this State for personal services performed by employees in connection with the trade or business of the taxpayer during the taxable year to the total salaries, wages, commissions, and other compensation paid by the taxpayer for personal services performed by employees in connection with its entire trade or business, wherever conducted, during the taxable year.

Payments made to an independent contractor or any other person not properly classified as an employee are excluded. Compensation is paid in this State if the employee's service outside Georgia is incidental to the service performed in this State or some of the service is performed in Georgia and the base of operations from which the service is directed is in this State, or some of the service is performed in Georgia and the base of operations from which the service is directed is not in

any state where some part of the service is performed but the employee's residence is in Georgia.

(c) Gross Receipts Factor. The gross receipts factor is the ratio of gross receipts from business done within this State to total gross receipts from business done everywhere. Receipts shall be deemed to have been derived from business done within this State only if received from products shipped to customers in this State, or delivered within this State to customers.

The purpose of the gross receipts factor is to measure the marketplace for the taxpayer's goods and services. When receipts are derived from the sale of tangible personal property, receipts shall be deemed to have been derived from business done in this State if they were received from products shipped to customers in this State or products delivered within this State to customers.

When receipts are derived from business other than the sale of tangible personal property, receipts shall be deemed to have been derived from business done in this State if they were received from customers within this State or if the receipts are otherwise attributable to this State's marketplace.

(d) The apportionment factors determined above shall be weighted 25% to property, 25% to payroll and 50% to sales. If the denominator for either the property or payroll factor is zero, the weighted percentage for the other will be 33-1/3% and the weighted percentage for the sales factor will be 66-2/3%. If the denominator for the sales is zero, the weighted percentage for the property and payroll will change to 50% each. If the denominators for any two factors are zero, the weighted percentage for the remaining factor will be 100%.

(e) Apportionment of Income: Business Joint Ventures and Business Partnerships. A Corporation which is involved in a business joint venture, or is a partner in a business partnership, must include its pro rata share of the joint venture or partnership property, payroll and gross receipts values in its own apportionment formula.

AMENDED RETURNS

Georgia has no special form for filing an amended return. Please check the amended return block on Form 600S. A copy of Federal Form 1120S or federal audit adjustments must be attached. The amended return should be mailed to Georgia Income Tax Division, P. O. Box 740397, Atlanta, Georgia 30374-0397. Amended returns listing credits on Schedules 10 and/or 11 should be mailed to Georgia Income Tax Division, P. O. Box 49431, Atlanta, Georgia 30359-1431.

CLAIMS FOR REFUND

A claim for refund of tax must be made within three years from the date the tax was paid. Taxes which have been paid by either withholding or estimated tax are treated as having been paid on the regular due date of the return. An extension of time to file the return does not extend the deadline for filing a state claim for refund. For example, if payments were made with respect to the 1999 tax year on or before March 15, 2000 (due date of the 1999 tax year), the taxpayer must file any claim for refund of such tax by March 17, 2003. An extension of time to file the 1999 return does not change the March 17, 2003 deadline for filing a state claim for refund.

NET WORTH TAX

INITIAL FILING AND DUE DATES

A new domestic or foreign corporation doing business or owning property in Georgia must file an initial net worth tax return on or before the fifteenth day of the third calendar month after incorporation or qualification. The initial net worth tax return is based on the beginning net worth (Federal Schedule L) of the corporation and covers the tax from the incorporation/qualification date to the year end. If this return is for a short period of less than six months, the tax due shall be 50%. The initial net worth return cannot be combined with the initial income tax return since the due dates do not coincide.

Thereafter, an annual return must be filed on or before the fifteenth day of the third month following the beginning of the corporation's taxable period.

EXTENSION OF TIME

A reasonable extension of time for filing may be granted by the Commissioner upon application on Form IT-303. It must be filed prior to the date the return is due. Georgia law prohibits the granting of an extension of over 6 months from the due date of the return.

If a taxpayer receives from the Internal Revenue Service an extension of time within which to file his Federal return, the taxpayer need not apply to the Georgia Department of Revenue for a similar extension of time.

The taxpayer must attach a copy of the request for the Federal extension to the Georgia return. If the taxpayer is filing a net worth tax return only and an income tax return is not due, a separate extension must be applied for and the tax paid. Interest accrues at the rate of 12% per year on any tax due from the regular due date of the return until paid.

A taxpayer having a federal extension must also prepay the Georgia Tax accompanying such remittance with Form IT-560C. Credit for such prepayment should be claimed on Form 600S, Schedule 4, Line 2. An extension of time does not alter the interest or penalty charge for late payment of tax.

PENALTIES AND INTEREST

Penalties and interest may be avoided by paying the tax by the statutory due date of the return.

Penalty for delinquent filing—10% of tax due. Penalty for delinquent payment—10% of tax due.

In addition, interest at 12% per annum is due on a delinquent remittance from the date due until paid.

TREATMENT OF SHORT PERIOD NET WORTH TAX RETURN

All corporations filing a short period income and/or net worth Georgia tax return for any reason other than initial or final return shall compute the net worth in accordance with the following instructions:

The net worth tax shall be computed on the net worth per the ending balance sheet of the short period return. The tax is then prorated based on the number of months included in the short period return.

Note: Any short periods ending on the 1st through the 15th day of the month are backed up to the last day of the preceding month. Years ending on the 16th day or later are moved forward to the last day of that month.

EXAMPLE: Corporation A files a three month short period return ending March 31, 2001. The Georgia taxable net worth per the March 31, 2001 balance sheet is \$90,000. The Georgia net worth tax is computed as follows: Tax per scale \$100.00 x 3/12 = \$25.00 net worth tax due.

COMPUTATION OF TAX

The tax is graduated based on net worth. In the case of new corporations, this is the beginning net worth. Thereafter, it is the net worth on the first day of the corporation's net worth taxable year. Net worth is defined to include issued capital stock, paid in surplus and retained earnings. Treasury stock should not be deducted from issued capital stock.

Foreign corporations qualified in Georgia are taxable on the portion of net worth employed within Georgia as computed in Schedule 3, using the ratio computed in Schedule 2. In computing the ratio, the property factors will reflect total balance sheet assets within Georgia and everywhere. This includes all intangible assets as reflected on the federal return such as accounts receivable.

The gross receipts factors are determined per instructions on Page 5. For net worth tax purposes, a foreign corporation is a corporation or association created or organized under the statutory laws of any nation or state other than Georgia.

Domestic corporations and domesticated foreign corporations are taxable on total net worth (100% ratio) and should not use the ratio computation in Schedule 2. **For net worth tax purposes, a domestic corporation is a corporation or association created or organized under the statutory laws of Georgia.**

A domesticated foreign corporation is a foreign corporation which has agreed under the provisions of Georgia law to be treated as a domestic corporation and to be taxed on total net worth.

A dormant corporation must file a net worth tax return and pay the tax to retain its charter. A foreign corporation admitted into Georgia must file a net worth tax return until it has withdrawn from Georgia. A Corporation with a deficit net worth will pay the minimum tax shown in the table on Page 7. **A Corporation that has liquidated and is filing its final income tax return is not liable to file a subsequent net worth tax return.**

All cooperative marketing associations are required to file either Form 600 or 600S, whichever is applicable. The tax on such corporations is \$10.00 per year.

NET TAX DUE OR OVERPAYMENT

Schedule 4 provides for the computation of the net tax due or the net overpayment of the two taxes.

Compute any penalty and interest due under the respective taxes and enter the amounts on the applicable lines.

NET WORTH TAX TABLE

DOMESTIC AND DOMESTICATED FOREIGN CORPORATIONS

Based on net worth including issued capital stock, paid-in surplus and earned surplus (Schedule 3, Line 4).

FOREIGN CORPORATIONS

Based on net worth including issued capital stock, paid-in surplus and earned surplus employed within Georgia (Schedule 3, Line 6,).

Not exceeding	\$ 10,000.00			10.00
Over	10,000.00	and not exceeding	25,000.00	20.00
Over	25,000.00	and not exceeding	40,000.00	40.00
Over	40,000.00	and not exceeding	60,000.00	60.00
Over	60,000.00	and not exceeding	80,000.00	75.00
Over	80,000.00	and not exceeding	100,000.00	100.00
Over	100,000.00	and not exceeding	150,000.00	125.00
Over	150,000.00	and not exceeding	200,000.00	150.00
Over	200,000.00	and not exceeding	300,000.00	200.00
Over	300,000.00	and not exceeding	500,000.00	250.00
Over	500,000.00	and not exceeding	750,000.00	300.00
Over	750,000.00	and not exceeding	1,000,000.00	500.00
Over	1,000,000.00	and not exceeding	2,000,000.00	750.00
Over	2,000,000.00	and not exceeding	4,000,000.00	1,000.00
Over	4,000,000.00	and not exceeding	6,000,000.00	1,250.00
Over	6,000,000.00	and not exceeding	8,000,000.00	1,500.00
Over	8,000,000.00	and not exceeding	10,000,000.00	1,750.00
Over	10,000,000.00	and not exceeding	12,000,000.00	2,000.00
Over	12,000,000.00	and not exceeding	14,000,000.00	2,500.00
Over	14,000,000.00	and not exceeding	16,000,000.00	3,000.00
Over	16,000,000.00	and not exceeding	18,000,000.00	3,500.00
Over	18,000,000.00	and not exceeding	20,000,000.00	4,000.00
Over	20,000,000.00	and not exceeding	22,000,000.00	4,500.00
Over	22,000,000.00		5,000.00

INSTRUCTIONS FOR NONRESIDENT SHAREHOLDERS

Nonresident shareholders of corporations doing business both within and without Georgia shall compute their proportionate part of the corporation's allocated and apportioned income from the schedules on Form 600S, Page 2. The Georgia net income of nonresidents computed on Schedule 9, Line 7 should be multiplied by the percentage of stock owned. The result of this calculation yields the taxable income of the nonresident which should be reported on the Georgia individual tax return. Additionally, the portion of the Section 179 expense attributable to Georgia that was not included in Georgia net income and that has been allowed on the taxpayer's federal tax return can be subtracted on the shareholder's Georgia return. Under Section 48-7-21(b)(7)(B) of the Georgia Income Tax Act and Regulations 560-7-3-.06(6), all nonresident shareholders must execute an agreement Form 600S-CA wherein said shareholders agree to pay Georgia income tax on their proportionate part of the corporation's Georgia taxable income or the S Corporation election will be terminated by the Commissioner.

Special Note: Any S Corporation with nonresident members shall be subject to a withholding tax unless a composite return, Form IT-CR, is filed or the aggregate annual distribution paid or credited to members is less than \$1,000.00. Permission to file a composite return is not required. Please check the "Composite Return Filed" box on Form 600S, Page 1. For composite filing information or blank forms and instructions, call (404) 417-2300.

CORPORATION ESTIMATED TAX

Income on most S Corporations flows through to the individual shareholders and estimated tax is paid accordingly at the individual level. If your S Corporation must pay estimated tax at the corporate level, see Form IT-611, Page 10 or call (404) 417-2409 for blank forms and instructions.

IMPORTANT

THIS FORM IS TO BE USED BY **CORPORATE TAXPAYERS** ONLY FOR PAYMENT OF INCOME TAX AND/OR NET WORTH TAX TENTATIVELY DETERMINED TO BE DUE.

INSTRUCTIONS

When a taxpayer receives an automatic extension of time in which to file a Federal return, Georgia will honor that extension. No penalty for late filing will be assessed if the Georgia return is filed by the extended due date of the Federal return. The extension is for filing the return and does not extend the time for paying the tax. The tax must be paid by the statutory due date. An extension of time for filing does not relieve the taxpayer of liability for interest or penalty for late payment of tax.

1. This form is to be used to submit any payment of tax when an extension is requested or in force.
2. The amount paid with this form should be claimed on the completed return as credits and payments.
3. This form must be submitted with remittance to pay at least 90% of the tax that will be due as reflected on the final return. If 90% of the tax is not paid by the original due date of the return, a penalty of 1/2 of 1% per month of the tax due will be assessed as a late payment penalty. The addition of this penalty does not relieve the taxpayer of liability for interest due on the unpaid balance of tax.
4. The amount paid is to be credited as a payment on the liability that may be due as reflected by the completed return. Georgia Public Revenue Code Section 48-2-31 stipulates that taxes shall be paid in lawful money of the United States, free of any expense to the State of Georgia.

If you have any questions call: (404) 417-2469

Make check payable to: Georgia Income Tax Division (Include FEI Number on check)

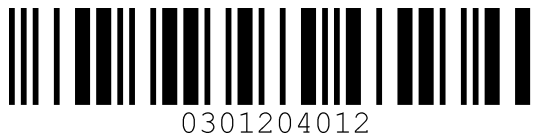
Mail the completed IT-560 C with remittance to:

Georgia Department of Revenue
P.O. Box 740317
Atlanta, GA 30374-0317

DO NOT mail this entire page. Cut along dotted line and mail only coupon and payment
DO NOT USE STAPLES, PAPER CLIPS OR ATTACH CHECK STUB

----- Cut along dotted line -----

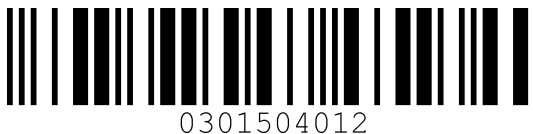
IT-560 C (rev. 7/02)
FOR CORPORATION 2002
Payment of Income Tax
and/or Net Worth tentatively
determined to be due



MAIL TO:
Georgia Department of Revenue
P.O. Box 740317
Atlanta, GA 30374-0317
Telephone No. (404) 417-2469

<input type="checkbox"/> Corporate Income Tax	<input type="checkbox"/> Net Worth Tax	<input type="checkbox"/> New Corporation	<input type="checkbox"/> Address Change	<input type="checkbox"/> Name Change
FEI Number	Income Tax Year (MM/DD/YY)	Vendor Code N/A	Former Name if Applicable	
Current Name (Type or print plainly the exact Corporation Name)			Signature of Officer or Agent	Title Date
Business Address		City		State Zip Code
DO NOT STAPLE, PAPER CLIP OR ATTACH CHECK STUB Amount Paid				

Form **600 S** (rev. 08/02)
S Corporation Tax Return
Georgia Department of Revenue
Income Tax Division



2002 Income Tax Return

Beginning _____

Ending _____

2003 Net Worth Tax Return

Beginning _____

Ending _____

☐ Original Return
☐ New Corporation
☐ Composite Return Filed

☐ Initial Net Worth
☐ Amended Return
☐ Final Return (attach explanation)

☐ Address Change
☐ C. Corp Last Year
☐ Name Change

☐ Mark box with an **X** if you
do not want a booklet next year

A. Federal Employer I.D. Number	Name (Corporate title) Please give former name if applicable.		E. Date of Incorporation
B. GA. Withholding Tax Acct. Number	Business Address (Number and Street)		F. Incorporated under laws of what state
C. GA. Sales Tax Reg. Number	City or Town	County State Zip Code	G. Date admitted into GA
D. Standard Industrial Classification Code	Location of Principal Place of Business	Telephone Number	H. Kind of Business

I. Number of shareholders _____ Number of Nonresident Shareholders _____ J. Federal Ordinary Income ► _____
K. Indicate latest taxable year adjusted by IRS ► _____ And when reported to Georgia ► _____

COMPUTATION OF GEORGIA TAXABLE INCOME AND TAX

(ROUND TO NEAREST DOLLAR)

SCHEDULE 1

1. Georgia Taxable Income	1.
2. Tax-6% x Line 1	2.

COMPUTATION OF NET WORTH RATIO (to be used by foreign Corporations only)

(ROUND TO NEAREST DOLLAR)

SCHEDULE 2

	A. Within Georgia	B. Total Everywhere	C. GA. ratio (A/B)
1. Total value of property owned (Total assets from Federal balance sheet)			
2. Gross receipts from business			
3. Totals (Line 1 + 2)			
4. Georgia ratio (Divide Line 3A by 3B)			

COMPUTATION OF NET WORTH TAX

(ROUND TO NEAREST DOLLAR)

SCHEDULE 3

1. Total capital stock issued	1.
2. Paid in or capital surplus	2.
3. Total retained earnings	3.
4. Net worth (Total of Lines 1, 2, and 3)	4.
5. Ratio (GA. and Dom. For. Corp.-100%) (Foreign Corp. - Sch. 2, Line 4)	5.
6. Net worth taxable by Georgia (Line 4 x Line 5)	6.
7. Net worth tax (From table in instructions)	7.

COMPUTATION OF TAX DUE OR OVERPAYMENT

(ROUND TO NEAREST DOLLAR)

SCHEDULE 4

	A. Income Tax	B. Net Worth Tax	C. Total
1. Total Tax (Schedule 1, Line 2 and Schedule 3, Line 7)			1.
2. Less: Credits and payments of estimated tax			2.
3. Less Credits from Schedule 10, Line 12			3.
4. Withholding Credits			4.
5. Balance of tax due (Line 1 less Lines 2, 3 and 4)			5.
6. Amount of overpayment (Lines 2, 3 and 4 less Line 1)			6.
7. Interest due (See Instructions)			7.
8. Penalties due (See Instructions)			8.
9. Balance of Tax, Interest and Penalties due with return			9.
10. Amount of Line 6 to be credited to 2003 estimated tax ►		Refunded ►	

Declaration: I/we declare under the penalties of perjury that I/we have examined this return (including accompanying schedules and statements) and to the best of my/our knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, their declaration is based on all information of which they have any knowledge. Georgia Public Revenue code Section 48-2-31 stipulates that taxes shall be paid in lawful money of the United States free of any expense to the State of Georgia.

SIGNATURE OF OFFICER

TITLE

DATE

SIGNATURE OF INDIVIDUAL OR FIRM PREPARING THE RETURN

ID# OR SSN

Copy of the Federal Return and supporting Schedules must be attached, otherwise this return is deemed incomplete. No extension of time for filing will be allowed unless copy of request for Federal extension or Form IT-303 is attached to this return. **Make check payable to:** Georgia Income Tax Division

Mail To: Georgia Income Tax Division, P.O. Box 740391, Atlanta, Georgia 30374-0391

If Listing Credits on Schedules 10 and/or 11, Mail To: Georgia Income Tax Division, P. O. Box 49431, Atlanta, Georgia 30359-1431

ADDITIONS TO FEDERAL INCOME

(ROUND TO NEAREST DOLLAR)

SCHEDULE 5

1. State and municipal bond interest (other than Georgia or political subdivision thereof)	1.	
2. Net income or net profits taxes imposed by taxing jurisdictions other than Georgia	2.	
3. Expense attributable to tax exempt income	3.	
4. Other Additions (Attach Schedule)	4.	
5. TOTAL (Add Lines 1 thru 4) Enter here and on Schedule 8, Line 8	5.	

SUBTRACTIONS FROM FEDERAL TAXABLE INCOME

(ROUND TO NEAREST DOLLAR)

SCHEDULE 6

1. Interest on obligations of United States	1.	
2. Other Subtractions (Attach Schedule)	2.	
TOTAL - (Add Lines 1 and 2) Enter here and on Schedule 8, Line 10	3.	

APPORTIONMENT OF INCOME (Part 1)**SCHEDULE 7**

	WITHIN GEORGIA		TOTAL EVERYWHERE	
	A. Beginning of Year	B. End of Year	A. Beginning of Year	B. End of Year
1. Inventories				
2. Buildings (cost)				
3. Machinery & Equipment				
4. Land				
5. Other Tangible Assets ..				
6. Total (Lines 1 through 5)				
7. Average (Add columns A & B and divide by 2)				
8. Rented Property (Annual Rate x 8)				
9. Total Property				

APPORTIONMENT OF INCOME (Part 2)

	A. Within Georgia	B. Everywhere (If this figure is 0 see instructions on page 5)	C. Do not round Col (A)/Col (B) Compute to six decimals		D. Do not round Georgia Factor Compute to six decimals
1. Total Property (Part 1, Line 9)				x0.25	
2. Salaries, commissions, wages & compensation				x0.25	
3. Gross receipts from business				x0.50	
4. Georgia ratio (Total Column D)					

COMPUTATION OF TOTAL INCOME FOR GEORGIA PURPOSES (ROUND TO NEAREST DOLLAR)**SCHEDULE 8**

1. Ordinary income (loss) per Federal return	1.	
2. Net income (loss) from rental real estate activities	2.	
3. a. Gross income from other rental activities	3a.	
b. Less expenses	3b.	
c. Net business income from other rental activities (Line 3a less Line 3b)	3c.	
4. Portfolio income (loss):		
a. Interest Income	4a.	
b. Dividend Income	4b.	
c. Royalty Income	4c.	
d. Net short-term capital gain (loss)	4d.	
e. Net long-term capital gain (loss)	4e.	
f. Other portfolio income (loss)	4f.	
5. Net gain (loss) under Section 1231	5.	
6. Other Income (loss)	6.	
7. Total Federal Income (Add Lines 1 through 6)	7.	
8. Additions to Federal Income (Schedule 5, Line 5)	8.	
9. Total (Add Lines 7 & 8)	9.	
10. Subtractions from Federal Income (Schedule 6, Line 3)	10.	
11. Total Income for Georgia purposes (Line 9 less Line 10)	11.	

COMPUTATION OF GEORGIA NET INCOME

(ROUND TO NEAREST DOLLAR)

SCHEDULE 9

1. Total Income for Georgia purposes (Schedule 8, Line 11)	1.	
2. Income allocated everywhere (Attach Schedule)	2.	
3. Business Income subject to apportionment (Line 1 less Line 2)	3.	
4. Georgia Ratio (Schedule 7, Part 2, Line 4)	4.	
5. Net business income apportioned to Georgia (Line 3 x Line 4)	5.	
6. Net income allocated to Georgia (Attach Schedule)	6.	
7. Total Georgia net income (Add Line 5 and Line 6)	7.	

CLAIMED TAX CREDITS

(ROUND TO NEAREST DOLLAR)

SCHEDULE 10

See pages 10 through 12 for a list of available credits and their applicable codes. You must list the appropriate credit type code in the space provided. If you claim more than ten credits, attach a schedule. Enter the total of the additional schedule on Line 11.

If the tax credit is flowing into this corporation from another corporation, please enter the name and FEI Number of the corporation where the tax credit originated. If the credit claimed is only a percentage of the total credit (i.e. another corporation has been assigned a percentage, as well), enter the percentage assigned to this corporation in the % column. If the credit originated with the corporation filing this return, enter "Same" in the spaces for corporation and FEIN and enter the percentage of credit claimed (i.e. 100, if claiming all of it; 33, if claiming 1/3).

	Credit Type Code	Corporation Name	FEIN	%		Amount of Credit
1.					1.	
2.					2.	
3.					3.	
4.					4.	
5.					5.	
6.					6.	
7.					7.	
8.					8.	
9.					9.	
10.					10.	
11. Enter the total from attached schedule(s)					11.	
12. Enter the total of Lines 1 through 11 here and on Schedule 4, Line 3, Page 1					12.	

ASSIGNED TAX CREDITS

(ROUND TO NEAREST DOLLAR)

SCHEDULE 11

O.C.G.A. §48-7-42 provides that in lieu of claiming any Georgia income tax credit for which a taxpayer otherwise is eligible for the taxable year, the taxpayer may elect to assign credits in whole or in part to one or more “affiliated entities”. The term “affiliated entities” is defined as:

- 1) A corporation that is a member of the taxpayer's affiliated group within the meaning of Section 1504(a) of the Internal Revenue Code; or
- 2) An entity affiliated with a corporation, business, partnership, or limited liability company taxpayer, which entity:
 - (a) Owns or leases the land on which a project is constructed;
 - (b) Provides capital for construction of the project; and
 - (c) Is the grantor or owner under a management agreement with a managing company of the project.

No carryover attributable to the unused portion of any previously claimed or assigned credit may be assigned or reassigned, except if the assignor and the recipient of a tax credit assigned cease to be affiliated entities, any carryover attributable to the unused portion of the credit is transferred back to the assignor of the credit. The assignor is permitted to use any such carryover itself, and also shall be permitted to assign the carryover to one or more affiliated entities, as if such carryover were an income tax credit for which the assignor became eligible in the taxable year in which the carryover was transferred back to the assignor. In the case of any credit that must be claimed in installments in more than one taxable year, the election under this subsection may be made on an annual basis with respect to each such installment. For additional information, please refer to O.C.G.A. §48-7-42.

If the corporation filing this return is assigning tax credits to other affiliates, please provide detail below of where the tax credits are being assigned and what percentage is being allocated to each affiliate.

[illegible]

STATE OF GEORGIA

**FORM 600 S-CA
DEPARTMENT OF REVENUE
INCOME TAX DIVISION**

CALENDAR YEAR _____
or other taxable year
Beginning _____
Ending _____

CONSENT AGREEMENT OF NONRESIDENT STOCKHOLDERS OF S CORPORATIONS

Under Section 48-7-21(b)(7)(B) of the Georgia Income Tax Act and Regulations 560-7-3-.06(6) all nonresident stockholders must execute an agreement wherein said stockholders agree to pay Georgia income tax on their proportionate part of the corporation's Georgia taxable income or the S Corporation election will be terminated by the Commissioner. To ensure Georgia's recognition of your S Corporation election, attach a properly completed Form 600S-CA for each nonresident shareholder to Form 600S when filed.

IF ANY ONE OR MORE NONRESIDENT STOCKHOLDERS FAILS OR REFUSES TO FILE THE CONSENT AGREEMENT HEREIN, DO NOT USE FORM 600S. FILE ON FORM 600.

CORPORATE NAME		FEIN
BUSINESS ADDRESS		
CITY	STATE	ZIP CODE

NONRESIDENT STOCKHOLDER

NAME		SOCIAL SECURITY NUMBER
ADDRESS		
CITY	STATE	ZIP CODE
NUMBERS OF SHARES OWNED		

As a nonresident stockholder in the above captioned corporation, I hereby agree to: (check one)

- ☐ File a Georgia Individual Tax Return, Form 500 and report my pro rata share of income and pay any tax due on the return for the above referenced tax year.
- ☐ Be included in a composite tax return, Form IT-CR, filed by the above corporation for the above referenced tax year.

Taxpayer's Signature _____ Date _____

Create as many copies as needed.

TAX CREDITS

Credit Type Code

Description

- 101 Employer's Credit for Basic Skills Education.** Businesses may benefit by providing or sponsoring basic skills education that enhances reading, writing, or mathematical skills up to and including the 12th grade or classes to receive a GED certificate. The program is administered by the Department of Technical and Adult Education. For information, contact them at (404) 679-1625. This credit should be claimed on Form IT-BE. For more information, refer to O.C.G.A. §48-7-41.
- 102 Employer's Credit for Approved Employee Retraining.** The retraining tax credit allows some employers to claim certain costs of retraining employees to use new equipment, new technology, or new operating systems. The credit can be worth 50% of the direct costs of retraining full-time employees up to \$500 per employee per approved retraining program per year. The credit cannot be more than 50% of the taxpayer's total state income tax liability for a tax year. Credits claimed but not used may be carried forward for 10 years. For a copy of the Retraining Tax Credit Procedures Guide, contact the Department of Technical and Adult Education at 404-679-1700. This credit should be claimed on Form IT-RC. For more information, refer to O.C.G.A. §48-7-40.5.
- 103 Employer's Jobs Tax Credit.** This credit provides for a statewide job tax credit for any business or headquarters of any such business engaged in manufacturing, warehousing and distribution, processing, telecommunications, tourism, or research and development industries, but does not include retail businesses. If other requirements are met, job tax credits are available to businesses of any nature, including retail businesses, in counties recognized and designated as the 40 least developed counties.
- Tier 1 counties, the state's least developed counties, are ranked 1 through 71. Companies creating five or more new jobs in a Tier 1 county may receive a \$3,500 tax credit.
 - Tier 2 counties are ranked 72 through 106. Companies creating 10 or more new jobs in a Tier 2 county may receive a \$2,500 tax credit.
 - Tier 3 counties are ranked 107 through 141. Companies creating 15 or more new jobs in a Tier 3 county may receive a \$1,250 tax credit.
 - Tier 4 counties are ranked 142 through 159. Companies creating 25 or more new jobs in a Tier 4 county may receive a \$750 tax credit.
- Credits similar to the credits available in Tier 1 counties are potentially available to companies in certain "less developed" census tracts in the metropolitan areas of the state. At least 30% of the new jobs created in these census tracts must be held by residents of the eligible census tracts or a Tier 1 county. Note that average wages for the new jobs must be above the average wage of the county that has the lowest average wage of any county in the state. Also, employers must make health insurance available to employees filling the new full-time jobs. Employers are not, however, required to pay all or part of the cost of such insurance unless this benefit is provided to existing employees. Credits are allowed for new full-time employee jobs for five years in years two through six after the creation of the jobs. In Tier 1 and Tier 2 counties, the total credit amount may offset up to 100% of a taxpayer's state income tax liability for a taxable year. In Tier 3 and Tier 4 counties, the total credit amount may offset up to 50% of a taxpayer's state income tax liability for a taxable year. In Tier 1 counties and "less developed" census tracts only, credits may also be taken against a company's income tax withholding. A credit claimed but not used in any taxable year may be carried forward for 10 years from the close of the taxable year in which the qualified jobs were established. The measurement of new full-time jobs and maintained jobs is based on average monthly employment. Georgia counties are re-ranked annually based on updated statistics. See the Job Tax Credit law and regulations for further information. This credit should be claimed on Form IT-CA. An additional \$500 per job is allowed for a business locating within a county that belongs to a Joint Development Authority. For more information, refer to O.C.G.A. §48-7-40 and §48-7-40.1
- 104 Employer's Credit for Purchasing Child Care Property.** Employers who purchase qualified child care property will receive a credit totaling 100% of the cost of such property. The credit is claimed at the rate of 10% a year for 10 years. The qualified property credit may be carried forward for three years from the close of the taxable year in which the qualified property is placed in service, and the limitation on the use of the credit in any one year is 50% of the employer's Georgia income tax liability for the tax year. Recapture provisions apply if the property is transferred or committed to a use other than child care within 14 years after the property is placed in service. This credit should be claimed on Form IT-CCC100. For more information, refer to O.C.G.A. §48-7-40.6.
- 105 Employer's Credit for Providing or Sponsoring Child Care for Employees.** Employers who provide or sponsor child care for employees are eligible for a tax credit of up to 75% of the employers' direct costs. The credit cannot be more than 50% of the taxpayer's total state income tax liability for that taxable year. Any credit claimed but not used in any taxable year may be carried forward for five years from the close of the taxable year in which the cost of the operation was incurred. This credit should be claimed on Form IT-CCC75. For more information, refer to O.C.G.A. §48-7-40.6.
- 106 Manufacturer's Investment Tax Credit.** This credit is based on the same tiers as the Job Tax Credit program. It allows a taxpayer that has operated an existing manufacturing or telecommunications facility or manufacturing or telecommunications support facility in the state for the previous three years to obtain a credit against income tax

TAX CREDITS (continued)

Credit Type Code

Description

liability. The credit is available in reference to expenses directly related to manufacturing or providing telecommunications services. Taxpayers must submit application Form OIT-APP and receive approval before they claim the credit on their returns. Taxpayer may choose either the job tax credit, the investment tax credit or the optional investment tax credit but only one.

Companies expanding in Tier 1 counties must invest \$50,000 to receive a 5% credit. That credit increases to 8% for recycling, pollution control, and defense conversion activities.

Companies expanding in Tier 2 counties must invest \$50,000 to receive a 3% tax credit. That credit increases to 5% for recycling, pollution control, and defense conversion activities.

Companies expanding in Tier 3 or Tier 4 counties must invest \$50,000 to receive a 1% credit. That credit increases to 3% for recycling, pollution control, and defense conversion activities.

For more information, refer to O.C.G.A. §48-7-40.2, 40.3, and 40.4.

- 107 Optional Investment Tax Credit.** Taxpayers qualifying for the investment tax credit may choose an optional investment tax credit with the following threshold criteria:

Designated Area	Minimum Investment	Percent Tax Credit
Tier 1	\$ 5 Million	10%
Tier 2	\$10 Million	8%
Tier 3 or Tier 4	\$20 Million	6%

Taxpayers must submit application Form OIT-APP and receive approval before they claim the credit on their returns. The credit may be claimed for 10 years, provided the qualifying property remains in service throughout that period. A taxpayer must choose either the regular or optional investment tax credit. Once this election is made, it is irrevocable. The optional investment tax credit is calculated based upon a three-year tax liability average. The annual credits are then determined using this base year average. The credit available to the taxpayer in any given year is the lesser of the following amounts:

1. 90% of the excess of the tax of the applicable year determined without regard to any credits over the base year average; or
2. The excess of the aggregate amount of the credit allowed over the sum of the amounts of credit already used in the years following the base year.

For more information, refer to O.C.G.A. §48-7-40.7, 40.8, and 40.9.

- 108 Qualified Transportation Credit.** This is a credit of \$25 per employee for any "qualified transportation fringe benefit" provided by an employer to an employee as described in Section 132(f) of the IRS Code of 1986. For more information, refer to O.C.G.A. §48-7-29.3.

- 109 Low Income Housing Credit.** This is a credit against Georgia income taxes for taxpayers owning developments receiving the federal Low-Income Housing Tax Credit that are placed in service on or after January 1, 2001. For more information, refer to O.C.G.A. §48-7-29.6.

- 110 Diesel Particulate Emission Reduction Technology Equipment.** This is a credit given to any person who installs diesel particulate emission reduction equipment at any truck stop, depot, or other facility. For more information, refer to O.C.G.A. §48-7-40.19.

- 111 Business Enterprise Vehicle Credit.** This is a credit for a business enterprise for the purchase of a motor vehicle that is used exclusively to provide transportation for its employees. In order to qualify, a business enterprise must certify that each vehicle carries an average daily ridership of not less than four employees for an entire taxable year. This credit cannot be claimed if the low and zero emission vehicle credit was claimed at the time the vehicle was purchased. For more information, refer to O.C.G.A. §48-7-40.22.

- 112 Research Tax Credit.** A tax credit is allowed for research expenses for research conducted within Georgia for any business or headquarters of any such business engaged in manufacturing, warehousing and distribution, processing, telecommunications, tourism, or research and development industries. The credit shall be 10% of the additional research expense over the "base amount," provided that the business enterprise for the same taxable year claims and is allowed a research credit under Section 41 of the Internal Revenue Code of 1986. The credit may be carried forward 10 years but may not exceed 50% of the business's Georgia net income tax liability after all other credits have been applied in any one year. (Note that the base amount must contain positive Georgia taxable net income for all years.) This credit should be claimed on Form IT-RD. For more information, refer to O.C.G.A. §48-7-40.12.

- 113 Small Business Growth Tax Credit.** A tax credit is granted for any business or headquarters of any business engaged in manufacturing, warehousing and distribution, processing, telecommunications, tourism, or research and development industries having a state net taxable income which is 20% or more above that of the preceding year if its net taxable income in each of the two preceding years was also 20% or more. The credit shall be the excess over 20% of the percentage growth and shall not exceed 50% of the business's Georgia net income tax liability after all other credits have been applied. The credit is available to companies whose total tax liability does not exceed \$1.5 million. This credit should be claimed on Form IT-RG. For more information, refer to O.C.G.A. §48-7-40.13.

TAX CREDITS (continued)

Credit Type Code	Description
114	<p>Headquarters Tax Credit. Companies establishing their headquarters or relocating their headquarters to Georgia may be entitled to a tax credit if the following criteria are met: 1) At least one hundred (100) headquarters jobs are created; and 2) within one year of the first hire, \$1 million must be spent in construction, renovation, leasing, or other cost related to such establishment or reallocation. Headquarters is defined as the principal central administrative offices of a company. The credit is available for establishing jobs (full time jobs only). To qualify, jobs must pay a salary, which is a stated percentage above the county average wage in which it is located. Above the county average for Tier 1 counties, at least 105% of the average wage for Tier 2 counties, at least 110% of the average wage for Tier 3 counties, and at least 115% of the average wage for Tier 4 counties. The company has the ability to earn the credit in years one through five, however it has seven years in which to earn the credit. The credit is equal to \$2,500 annually per new full-time job or \$5,000 if the average wage of the new full-time jobs is 200% or more of the average wage of the county in which the new jobs are located. The credit may be used to offset 100 percent of the taxpayers Georgia income tax liability in the taxable year. Where the amount of such credit exceeds the taxpayer's tax liability in a taxable year, the excess may be taken as a credit against such taxpayer's quarterly or monthly withholding tax. For more information, refer to O.C.G.A. §48-7-40.17.</p>
115	<p>Port Activity Tax Credit. Businesses or the headquarters of any such businesses engaged in manufacturing, warehousing and distribution, processing, telecommunications, tourism, or research and development that have increased their port traffic tonnage through Georgia ports during the previous 12-month period by more than 10% over their 1997 base year port traffic, or by more than 10% over 75 net tons, five containers or ten 20-foot equivalent units (TEU's) during the previous 12-month period are qualified for increased job tax credits or investment tax credits. NOTE: Base year port traffic must be at least 75 net tons, five containers, or 10 TEU's. If not, the percentage increase in port traffic will be calculated using 75 net tons, five containers, or 10 TEU's as the base. Companies must meet Business Expansion and Support Act (BEST) criteria for the county in which they are located. The job tax and investment tax credits are as follows:</p> <p style="margin-left: 40px;">Tier 1 companies: An additional \$1,250 per job, or 5% investment tax credit, or 10% optional investment tax credit.</p> <p style="margin-left: 40px;">Tier 2 companies: An additional \$1,250 per job, or 5% investment tax credit, or 10% optional investment tax credit.</p> <p style="margin-left: 40px;">Tier 3 companies: An additional \$1,250 per job, or 5% investment tax credit, or 10% optional investment tax credit.</p> <p style="margin-left: 40px;">Tier 4 companies: An additional \$1,250 per job, or 5% investment tax credit, or 10% optional investment tax credit.</p> <p>Companies that create 400 or more new jobs, invest \$20 million or more in new and expanded facilities, and increase their port traffic by more than 20% above their base year port traffic may take both job tax credits and investment tax credits. For more details about this credit, call the Tax Conferee's Office at 404-417-2441. For more information, refer to O.C.G.A. §48-7-40.15.</p>
116	<p>Bank Tax Credit. All financial institutions that conduct business or own property in Georgia are required to file a Georgia Financial Institutions Business Occupation Tax Return, Form 900. Effective on or after January 1, 2001, a depository financial institution with a Sub S election can pass through the credit to its shareholders on a pro rata basis. For more information, refer to O.C.G.A. §48-7-29.7.</p>
117	<p>Low Emission Vehicle Credit. This is a credit of up to \$2,500 for the purchase or lease of a new low emission vehicle and up to \$2,500 for the conversion of a standard vehicle to a low emission vehicle. Certification approved by the Environmental Protection Division of the Department of Natural Resources must be included with the return for any credit claimed under this provision. A "low speed vehicle" does not qualify for this credit. For more information, refer to O.C.G.A. §48-7-40.16.</p>
118	<p>Zero Emission Vehicle Credit. This is a credit of up to \$5,000 for the purchase or lease of a new zero emission vehicle and up to \$2,500 for the conversion of a standard vehicle to a zero emission vehicle. Certification approved by the Environmental Protection Division of the Department of Natural Resources must be included with the return for any credit claimed under this provision. A zero emission vehicle is a motor vehicle which has zero tailpipe and evaporative emissions as defined under rules and regulations of the Board of Natural Resources and includes an electric vehicle whose drive train is powered solely by electricity, provided the electricity is not generated by an on-board combustion device. A "low speed vehicle" does not qualify for this credit. For more information, refer to O.C.G.A. §48-7-40.16.</p>
119	<p>Cigarette Export Credit. This is a tax credit for the shipment of cigarettes manufactured anywhere in the United States to a foreign country. For more information, refer to O.C.G.A. §48-7-40.20.</p>

FUTURE TAX CREDITS

For taxable years beginning on or after January 1, 2004, a nonrefundable credit not to exceed \$5,000 will be available for the certified rehabilitation of a certified structure or historic home. Standards set by the Department of Natural Resources must be met. For additional information, refer to O.C.G.A. §48-7-29.8.

For more details about credits and the latest forms, please visit our website at: www.gatax.org/departments/dor/inctax/taxcredits.shtml.

STATE OF GEORGIA
DEPARTMENT OF REVENUE
INCOME TAX DIVISION
1800 CENTURY CENTER BLVD., 10TH FLOOR
ATLANTA, GEORGIA 30345-3205

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